

Switzerland County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Switzerland County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Switzerland County has no cross-county units.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was \$712,118, or 10.45%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the County unit (\$81,278) and the Switzerland County School Corp (\$620,169).

Switzerland County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
2006 Reassessment	\$39,852	\$59,849	\$19,997	50.18%
Health	109,836	235,268	125,432	114.20%
Children's Psych Res Treatment	55,404	42,307	-13,097	-23.64%

Switzerland County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$191,483	\$122,277	-\$69,206	-36.14%

Total County levy increase of \$81,278 or 4.27%.

Switzerland County School Corp.

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,561,696	\$2,733,957	\$172,261	6.72%
Capital Projects	672,621	794,029	121,408	18.05%
Bus Replacement	141,425	433,388	291,963	206.44%

Total School levy increase in the amount of \$620,169 or 14.38%. Schools increase was 87% of total County levy increase. Bus replacement levy increased due to the School's plan to purchase several new buses to replace an aging fleet.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	3.96%
Industrial	7.80%
Commercial	19.95%
Residential	1.08%
Exempt	285.90%
Utilities	0.16%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	39.15%	37.14%
Industrial	2.41%	2.37%
Commercial	19.20%	21.01%
Residential	37.94%	34.99%
Exempt	1.26%	4.44%
Utilities	0.05%	0.04%

As can be seen from the analysis, a shift from industrial, agricultural, and residential property to commercial and exempt property occurred. This shift was approximately 5.00%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
COTTON TWP	3.78%	8.46%	4.51%	8.03%	9.94%	-6.17%
CRAIG TWP	3.09%	7.69%	4.46%	7.91%	9.82%	-6.26%
JEFFERSON TWP	0.86%	5.44%	4.54%	8.05%	9.94%	-6.09%
VEVAY TOWN	6.57%	8.01%	1.36%	3.20%	5.49%	-11.63%
PLEASANT TWP	5.53%	10.34%	4.56%	8.09%	9.99%	-6.11%
POSEY TWP	-0.48%	4.12%	4.63%	8.18%	10.06%	-5.96%
PATRIOT TOWN	-3.56%	0.50%	4.21%	7.28%	9.30%	-7.27%
YORK TWP	13.22%	18.15%	4.36%	7.86%	9.68%	-6.11%
Average	3.63%	10.45%	4.08%	7.32%	9.28%	-6.95%

Downward pressure on tax rates came from increases in Assessed Value due to trending and an increased homestead credit. Upward pressure on tax rates came from increases in tax levies.

Otherwise, no unusual trends in NAV or homestead tax rates were evident.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Percent of Parcels with Identified assessed value changes.

Property Class	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Industrial	0.0%	40.0%	53.3%	6.7%	0.0%	0.0%
Commercial	1.1%	36.3%	52.6%	10.0%	0.0%	0.0%
Residential	55.7%	25.4%	17.9%	0.5%	0.3%	0.2%
Agriculture	24.2%	5.3%	25.3%	33.7%	11.5%	0.0%
Exempt	2.9%	69.7%	18.2%	6.5%	2.5%	0.2%
Utilities	0.0%	66.7%	33.3%	0.0%	0.0%	0.0%
Overall	38.2%	19.8%	22.0%	14.9%	5.1%	0.1%